

THE MICHIGAN PREVAILING WAGE ACT

The State of Michigan's Prevailing Wage Law, Public Act 166 of 1965, became effective March 1966. The Act requires that certain wage and fringe benefit rates be paid on state construction projects. It establishes requirements and responsibilities for contracting agents who award state construction contracts, and contractors who are awarded state construction projects.

PREVAILING WAGE RATE SCHEDULES

What is a prevailing wage rate?

A "prevailing wage rate" is the hourly rate of wages and fringe benefits to be paid to a construction mechanic employed in a specific trade classification on a state project.

How does the Department of Labor & Economic Growth establish prevailing wage rates?

The Department of Labor & Economic Growth is required by law to survey road construction and building trades union with collective bargaining agreements to obtain the basic hourly and fringe benefit rates provided in their contracts.

When are prevailing wage rates established?

Road builder prevailing wage rates are established July 1 of each year.

Commercial building rates are established January 1 of each year.

Prevailing wage rate schedules may be obtained upon request by contacting the

Wage & Hour Division at (517) 322-1825.

Which state construction projects are covered?

The prevailing wage law covers new construction, alteration, repair, installation, painting, decorating, completion, demolition, conditioning, reconditioning, or improvement of public buildings, schools, works, bridges, highways, or roads authorized by a contracting agent.

RESPONSIBILITIES

The responsibility of the Department of Labor & Economic Growth includes:

- Conducting surveys to determine the prevailing wage rate schedules
- Establishing prevailing wage rates for use on state construction projects
- Issuing prevailing wage rates

The Department may:

- Inspect and audit payroll records of contractors to determine compliance
- Investigate complaints alleging non-compliance of the act

Who is covered?

Any skilled or unskilled mechanic, laborer, worker, helper, assistant, or apprentice working on a state project. Excludes a foreman, supervisor, executive, administrative, professional, office, or custodial employee

The responsibility of the Contracting Agent includes:

- Requesting from the Department of Labor & Economic Growth the prevailing wage rate schedule for all classifications that will work on a project
- Providing prevailing wage rate schedules for state funded construction when contracts are let out for bid

The Contracting Agent may:

- Inspect payroll records of contractors
- Terminate a construction project for non-payment of prevailing wages

The responsibility of the Contractor includes:

- Posting a prevailing wage rate schedule on the construction site
- Paying prevailing wages to construction workers
- Keeping a record of hours worked and wages and fringe benefits paid to construction workers
- Providing payroll records for inspection to the Department of Labor & Economic Growth, or the contracting agent, upon request

Construction Workers who have not received the prevailing wage rate may:

File a complaint with the Department of Labor & Economic Growth if they have not been paid the prevailing wage rate on a state project.

WHAT HAPPENS WHEN A COMPLAINT IS FILED

An employee who believes he or she has not received the prevailing wage may file a written complaint with the Wage & Hour Division. The Department will conduct an investigation. Voluntary payment of monies due will be encouraged.

If a complaint is not resolved, the employee will be referred to the local Prosecuting Attorney's office. Violation of the provisions of the prevailing wage law is a misdemeanor. A contracting agent may also cancel a contract if prevailing wages are not paid.

This guide is intended for general information only. It does not include all of the provisions of Act 166, Public Acts of 1965.

In addition to Prevailing Wages on State Projects, the Wage & Hour Division also administers these laws:

MICHIGAN MINIMUM WAGE LAW, PA 154 of 1964, establishes the minimum wage, overtime pay, record keeping standards, equal pay and permits sub-minimum wage payment for certain employees.

YOUTH EMPLOYMENT STANDARDS ACT, PA 90 of 1978, establishes standards and hours for the legal employment of workers under 18 years of age.

PAYMENT OF WAGES AND FRINGE BENEFITS ACT, PA 390 of 1978, covers the time and manner for payment of wages and fringe benefits.

For information on the Prevailing Wages on State Projects or other laws administered by the Wage & Hour Division contact:

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AN OVERVIEW OF THE MICHIGAN PREVAILING WAGE ACT

1965 PA 166, MCL 408.551 ET SEQ.

